

**City and County of Honolulu  
Department of Transportation Services  
Disadvantaged Business Enterprise (DBE) Goal  
for FFYs 2014, 2015, 2016  
June 6, 2013**

**Summary:**

The Department of Transportation Services (DTS), City and County of Honolulu, will utilize a revised 10.47% Overall Disadvantaged Business Enterprise (DBE) Goal for the U.S. Department of Transportation assisted contracts in Federal Fiscal Years (FFYs) 2014, 2015, 2016 and proposes to meet 4.29% of the overall DBE Goal through Race Conscious means and 6.18% of the overall DBE Goal through Race Neutral means.

Overall DBE Goal 10.47%

Race Conscious Means	Race Neutral Means
4.29%	6.18%

**Public Notice and Comment Period:**

DTS has consulted with minority, women, general contractor groups and community organizations for input on overall Triennial DBE goal (49 CFR §26.45).

The finalized DBE goal will be advertised in the Honolulu Star-Advertiser and posted on the DTS' website, announcing the overall goal for 14 days. The public may view the goal and methodology for meeting DBE goals from 8 a.m. to 4 p.m., Monday through Friday, at the DTS, Federal Compliance Branch, located at the Frank F. Fasi Municipal Building, 650 South King Street, 3<sup>rd</sup> Floor, Honolulu, Hawaii 96813. The public will be notified that DTS is accepting comments on the overall goal for 45 days following the date of the notice.

**Overall Disadvantaged Business Enterprise (DBE) Goal of 10.47%:**

In developing the Overall DBE Goal, DTS considered the applicability of the October 18, 2010, disparity study (Study) conducted by the Hawaii Department of Transportation (HDOT) to meet the requirements of *Western States Paving vs. Washington State Department of Transportation* and 49 CFR §26.45. The City & County of Honolulu/DTS shall meet its overall goal through both Race Conscious and Race Neutral means. Effective October 1, 2013, for FFYs 2014, 2015, 2016 the DTS anticipates an overall goal of 10.47%, with 4.29% attained by using Race Conscious means and 6.18% by using Race Neutral means.

Table 7.27, Disparity Results for Hawaii Department of Transportation (HDOT) Contracting, Overall and By Construction Category (Dollars Paid) (Federally Assisted Projects Only), from the Study is presented below. The table lists the rates of utilization, estimated availability, and disparity indices for all transportation modes combined. The disparity index is derived by dividing the rate of utilization by estimated availability and multiplying the result by 100. An index of less than 100 means that DBEs are participating in HDOT's contracting and subcontracting at a rate lower than their estimated availability in the relevant marketplace. The Study considered an index of 80 or lower to be large, or substantially significant. The Study concluded that there is strong evidence of disparities between some minority groups' and females' participation in business enterprise activity in HDOT's relevant market area and the actual availability of those businesses.

To ensure that DTS' DBE program is narrowly tailored in conformance with the court's interpretation in *Western States* and the Study's disparity results, DTS requested and was approved by FTA to waive the participation by firms owned by Asian-Pacific American males, and therefore, not to be counted towards race-conscious DBE contract goals.

#### *HDOT Disparity Study*

*Table 7.27*

*Disparity Results for HDOT Contracting, Overall and By Construction Category (Dollars Paid) (Federally Assisted Projects Only)*

All Industries, Modes, and DBE Type	Utilization	Availability	Disparity Index
AFRICAN AMERICAN	0.16	1.08	14.60
HISPANIC	0.30	2.60	11.50
NATIVE AMERICAN	7.52	11.75	64.00
NON-MINORITY FEMALE	0.55	5.41	10.20
DBE TOTAL	8.53	20.84	40.93

Considering the total disparity index value as an indication of resultant discrimination, we multiplied the 10.47% overall goal by 0.4093 and concluded that 4.29% of the project goal should be met through Race Conscious contract goals, while the remaining 6.18% goal should be met through Race Neutral contract goals.

### **Contracting Opportunities:**

A review of DTS' executed and projected procurement for FFYs 2014, 2015, 2016 identified an NAICS Code List of the types of material, labor, and other services anticipated to be required by the project.

*Table 1 shows all NAICS Codes with relevant work description*

NAICS Code	Work Description
238120	Structural Steel and Precast Concrete Contractors
238190	Other Foundations, Structure, and Building Exterior Contractors
238210	Electrical & Other Wiring Installation Contractors
339999	All Other Misc. Manufacturing
423610	Electrical Apparatus and Equipment, Wiring Supplies
517919	All Other Telecommunications

*Table 2 shows all the FTA-assisted projects with project amounts and assigned relevant NAICS Codes.*

	NAICS CODE	PROJECT	AMOUNT OF FTA FUNDS	% OF TOTAL FTA FUNDS (WEIGHT)
1	238120	Transit Safety and Security Project (Security Gate)	\$39,600	4%
2	238190	Transit Safety and Security Project (Security Gate)	\$108,900	11%
3	238210	Transit Safety and Security Project (Security Camera)	\$396,000	40%
4	339999	Transit Safety and Security Project (Security Gate)	\$49,500	5%
5	423610	Transit Safety and Security Project (Security Camera)	\$346,500	35%
6	517919	Transit Safety and Security Project (Security Camera)	\$49,500	5%
Total FTA-Assisted Contract Funds			\$990,000	100%

Table 3 shows the current master list of NAICS codes associated with the Project along with total DBEs and Non-DBE Establishments in the Hawaii market area.

	NAICS CODE	PROJECT	NUMBER OF DBE's AVAILABLE TO PERFORM THIS WORK*	NUMBER OF ALL FIRMS AVAILABLE**	RELATIVE AVAILABILITY
1	238120	Transit safety and security (Security Gate)	7	18	38.89%
2	238190	Transit safety and security (Security Gate)	3	27	11.11%
3	238210	Transit safety and security (Security Camera)	15	314	4.78%
4	339999	Transit safety and security (Security Gate)	1	4	25.00%
5	423610	Transit safety and security (Security Camera)	4	49	8.16%
6	517919	Transit safety and security (Security Camera)	2	10	20.00%
OVERALL AVAILABILITY OF DBEs			32	422	7.58%

\*State of Hawaii Department of Transportation (HDOT) Disadvantaged Business (DBE), Directory at: <http://hidot.hawaii.gov/administration/files/2013/01/dbe-nature.pdf>

\*\* Latest data available from 2011 State Business Patterns for Hawaii at: <http://www.census.gov/econ/cbp/index.html>

## **Two Step Calculation of FFYs 2014, 2015, 2016 DBE Goal:**

### **Step One: Calculation of a Weighted Base Figure**

Table 4: Weight of each type of work by NAICS Code

Table 4A

	NAICS Code	Project	Weight	X	Availability	Weighted Base Figure
1	238120	Transit safety and security (Security Gate)	4%	X	38.89%	1.56%
2	238190	Transit safety and security (Security Gate)	11%	X	11.11%	1.22%
3	238210	Transit safety and security (Security Camera)	40%	X	4.78%	1.91%
4	339999	Transit safety and security (Security Gate)	5%	X	25.00%	1.25%
5	423610	Transit safety and security (Security Camera)	35%	X	8.16%	2.86%
6	517919	Transit safety and security (Security Camera)	5%	X	20.00%	1.00%
DBE Goal Weighted-Base Total						9.80%

For FFY 2014, \$330,000 in FTA-assisted contracts is projected, of which \$132,000 is for the installation of security cameras, and \$198,000 is for the installation of a security gate. Weighted calculation shows a 7.42% goal for the year.

Table 4B FFY 2014

Project Goal	X	Percentage of Work	Weighted Goal
4.03% Security Gate	X	\$198,000/\$330,000	2.42%
12% Security Camera	X	\$132,000/\$330,000	5.0%
DBE Goal Weighted Base Total			7.42%

\*FFY 2014 FTA Funds: \$330,000  
Weighted Goal: 7.42%

\*FFY 2015 FTA Funds: \$330,000  
Goal: 12%

\*FFY 2016 FTA Funds: \$330,000  
Goal: 12%

\* The Transit Safety and Security Project for the installation of security cameras will be phased in during FFYs 2014, 2015, 2016 and has a projected DBE goal of 12% based on past work performance. The installation of security cameras is the only FTA-assisted contract for FFYs 2015 and 2016.

#### **Step Two: Adjustments to the Weighted Base Figure:**

In developing the Overall Goal, DTS considered the applicability of the October 18, 2010, disparity study (Study) conducted by the Hawaii Department of Transportation (HDOT) to meet the requirements of *Western States Paving vs. Washington State Department of Transportation* and 49 CFR §26.45. The Study provides information to justify an adjustment to the Weighted Base Figure.

#### *Excerpt from HDOT Disparity Study*

*Table 7.27, Disparity Results for HDOT Contracting, Overall and by Construction Category (Dollars Paid) (Federally Assisted Projects Only)*

All Industries, Modes, and DBE Type	Utilization	Availability	Disparity Index
African American	0.16	1.08	14.60
Hispanic	0.30	2.60	11.50
Native American	7.52	11.75	64.00
Non-minority Female	0.55	5.41	10.20
DBE Total	8.53	20.84	40.93

Considering the total disparity index value as an indication of resultant discrimination, all three Federal Fiscal Year's goals were averaged resulting in 10.47%. This is our project goal, which we multiplied by 0.4093 and concluded that 4.29% of the goal should be met through Race Conscious contract goals. Subtracting the 4.29% Race Conscious from the 10.47% total Overall Goal leaves 6.18% which will be met through Race Neutral means.

**Conclusion:**

The two step methodology supports DTS's utilization of a 10.47% Overall DBE Goal. DTS proposes to meet this Goal through Race Conscious means 4.29% and Race Neutral means 6.18% for FFYs 2014, 2015, 2016.